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Saskatchewan
Finance

Revenue Division
2350 Albert Street
Regina, Saskatchewan
S4P 4A6

Information Bulletin

October 27, 2006

TO: ALL VENDORS AND CONSUMERS

RE: THE PROVINCIAL SALES TAX ACT

As announced on October 27, 2006, the Provincial Sales Tax rate is reduced from 7% to 5%. **The new 5% tax rate applies to all taxable sales made on or after October 28, 2006.** The Provincial Sales Tax rate applicable to mobile homes, modular homes and ready-to- move homes is reduced from 3.5% to 2.5% effective October 28, 2006.

The Liquor Consumption Tax rate remains unchanged at 10%.

Transitional Rules

Taxable goods that are delivered or provided to customers on or after October 28, 2006 are subject to tax at 5%. This applies even if the goods were ordered or paid for before that date.

Taxable goods received by customers prior to October 28, 2006, but paid for on or after that date are subject to tax at 7%.

Tax is payable on taxable services at the rate that is in effect at the time the payment for the services is due or payment has been made, whichever is earlier.

In the case of a taxable lease or taxable electricity, if the billing period spans the effective date of the tax rate change, the vendor is required to prorate the tax according to the tax rate in effect during each part of the billing period. If payment for that billing period has already been received or billed, the vendor should provide a credit adjustment to their customer in a future billing if the vendor bills their customers on a recurring basis.

Further information on transitional rules and a 5% schedule of Provincial Sales Tax are available on our website or by contacting us at the address or phone numbers below.

For Further Information

Write: Saskatchewan Finance
Revenue Division
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